

AMENDED IN ASSEMBLY JULY 6, 2015

AMENDED IN SENATE MAY 19, 2015

AMENDED IN SENATE APRIL 27, 2015

AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 419**

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**Introduced by Senator McGuire**

February 25, 2015

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An act to amend, repeal, and add Sections 798.70, 798.71, and 798.74 of the Civil Code, relating to mobilehomes.

LEGISLATIVE COUNSEL'S DIGEST

SB 419, as amended, McGuire. Mobilehomes: homeowners: sale.

The Mobilehome Residency Law governs tenancies in mobilehome parks. That law, among other things, sets forth certain rights and requirements for the management and selling homeowners in connection with the listing, sale, or exchange of a mobilehome, and, if not prohibited by management, the rental of a mobilehome, including, but not limited to, authorizing the display of signs advertising the sale, exchange, or rental, and authorizing the display of an "open house" sign unless prohibited by park rules; requiring the signs to contain specified information and be of an H-frame or A-frame design; and requiring the management, upon request of a prospective homeowner to provide the information the management will use to determine if the person will be acceptable as a homeowner in the park. Under that law, the management or owner may be held liable for damages proximately resulting from the withholding of approval of a prospective homeowner for any reason not stated in that law.

On and after July 1, 2016, this bill would no longer condition the display of an open house sign on the lack of prohibition in park rules, but would authorize the establishment of reasonable rules governing the conduct of open houses, as specified; would additionally authorize a seller to display one sign of an L-frame or a generally accepted yard-arm type design; *would authorize management to require the use of a step-in L-frame sign*; and would define a “listing.” The bill would require the management, upon written request, to provide in writing the information and standards the management will use to review a prospective homeowner to the prospective homeowner or seller and make technical changes. The bill would additionally condition the liability for damages resulting from withholding approval of a prospective homeowner for reasons based upon fraud, deceit, or concealment of material facts by the prospective purchaser.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 798.70 of the Civil Code is amended to  
2 read:  
3     798.70. (a) A homeowner, an heir, joint tenant, or personal  
4 representative of the estate who gains ownership of a mobilehome  
5 in the mobilehome park through the death of the owner of the  
6 mobilehome who was a homeowner at the time of his or her death,  
7 or the agent of any such person, may advertise the sale or exchange  
8 of his or her mobilehome, or, if not prohibited by the terms of an  
9 agreement with the management, may advertise the rental of his  
10 or her mobilehome, by displaying a sign in the window of the  
11 mobilehome, or by a sign posted on the side of the mobilehome  
12 facing the street, or by a sign in front of the mobilehome facing  
13 the street, stating that the mobilehome is for sale or exchange or,  
14 if not prohibited, for rent by the owner of the mobilehome or his  
15 or her agent. Any such person also may display a sign conforming  
16 to these requirements indicating that the mobilehome is on display  
17 for an “open house,” unless the park rules prohibit the display of  
18 an open house sign. The sign shall state the name, address, and  
19 telephone number of the owner of the mobilehome or his or her  
20 agent and the sign face shall not exceed 24 inches in width and 36  
21 inches in height. Signs posted in front of a mobilehome pursuant

1 to this section may be of an H-frame or A-frame design with the  
2 sign face perpendicular to, but not extending into, the street.  
3 Homeowners may attach to the sign or their mobilehome tubes or  
4 holders for leaflets which provide information on the mobilehome  
5 for sale, exchange, or rent.

6 (b) This section shall remain in effect only until July 1, 2016,  
7 and as of that date is repealed.

8 SEC. 2. Section 798.70 is added to the Civil Code, to read:

9 798.70. (a) A homeowner, an heir, joint tenant, or personal  
10 representative of the estate who gains ownership of a mobilehome  
11 in the mobilehome park through the death of the owner of the  
12 mobilehome who was a homeowner at the time of his or her death,  
13 or the agent of any such person, may advertise the sale or exchange  
14 of his or her mobilehome, or, if not prohibited by the terms of an  
15 agreement with the management, may advertise the rental of his  
16 or her mobilehome, by displaying one sign in the window of the  
17 mobilehome, or by one sign posted on the side of the mobilehome  
18 facing the street, or by one sign in front of the mobilehome facing  
19 the street, stating that the mobilehome is for sale or exchange or,  
20 if not prohibited, for rent by the owner of the mobilehome or his  
21 or her agent. Any such person also may display one sign  
22 conforming to these requirements indicating that the mobilehome  
23 is on display for an "open house." The park may establish by rule  
24 or regulation reasonable rules governing how an open house may  
25 be conducted, including rules regarding hours and parking. The  
26 sign shall state the name, address, and telephone number of the  
27 owner of the mobilehome or his or her agent and the sign face  
28 shall not exceed 24 inches in width and 36 inches in height. Signs  
29 posted in front of a mobilehome pursuant to this section may be  
30 of an H-frame, A-frame, L-frame, or generally accepted yard-arm  
31 type design with the sign face perpendicular to, but not extending  
32 into, the street. *Management may require the use of a step-in*  
33 *L-frame sign.* Homeowners may attach to the sign or their  
34 mobilehome tubes or holders for leaflets that provide information  
35 on the mobilehome for sale, exchange, or rent.

36 (b) This section shall become operative on July 1, 2016.

37 SEC. 3. Section 798.71 of the Civil Code is amended to read:

38 798.71. (a) (1) The management may not show or list for sale  
39 a manufactured home or mobilehome without first obtaining the

1 owner's written authorization. The authorization shall specify the  
2 terms and conditions regarding the showing or listing.

3 (2) Management may require that a homeowner advise  
4 management in writing that his or her manufactured home or  
5 mobilehome is for sale. If management requires that a homeowner  
6 advise management in writing that his or her manufactured home  
7 or mobilehome is for sale, failure to comply with this requirement  
8 does not invalidate a transfer.

9 (b) The management shall prohibit neither the listing nor the  
10 sale of a manufactured home or mobilehome within the park by  
11 the homeowner, an heir, joint tenant, or personal representative of  
12 the estate who gains ownership of a manufactured home or  
13 mobilehome in the mobilehome park through the death of the  
14 owner of the manufactured home or mobilehome who was a  
15 homeowner at the time of his or her death, or the agent of any such  
16 person other than the management.

17 (c) The management shall not require the selling homeowner,  
18 or an heir, joint tenant, or personal representative of the estate who  
19 gains ownership of a manufactured home or mobilehome in the  
20 mobilehome park through the death of the owner of the  
21 manufactured home or mobilehome who was a homeowner at the  
22 time of his or her death, to authorize the management or any other  
23 specified broker, dealer, or person to act as the agent in the sale  
24 of a manufactured home or mobilehome as a condition of resale  
25 of the home in the park or of management's approval of the buyer  
26 or prospective homeowner for residency in the park.

27 (d) The management shall not require a homeowner, who is  
28 replacing a mobilehome or manufactured home on a space in the  
29 park, in which he or she resides, to use a specific broker, dealer,  
30 or other person as an agent in the purchase of or installation of the  
31 replacement home.

32 (e) Nothing in this section shall be construed as affecting the  
33 provisions of the Health and Safety Code governing the licensing  
34 of manufactured home or mobilehome salespersons or dealers.

35 (f) This section shall remain in effect only until July 1, 2016,  
36 and as of that date is repealed.

37 SEC. 4. Section 798.71 is added to the Civil Code, to read:

38 798.71. (a) ~~(1)~~(1) The management may not show or list for  
39 sale a manufactured home or mobilehome without first obtaining

1 the owner's written authorization. The authorization shall specify  
2 the terms and conditions regarding the showing or listing.

3 (2) Management may require that a homeowner advise  
4 management in writing that his or her manufactured home or  
5 mobilehome is for sale. If management requires that a homeowner  
6 advise management in writing that his or her manufactured home  
7 or mobilehome is for sale, failure to comply with this requirement  
8 does not invalidate a transfer.

9 (b) The management shall prohibit neither the listing nor the  
10 sale of a manufactured home or mobilehome within the park by  
11 the homeowner, an heir, joint tenant, or personal representative of  
12 the estate who gains ownership of a manufactured home or  
13 mobilehome in the mobilehome park through the death of the  
14 owner of the manufactured home or mobilehome who was a  
15 homeowner at the time of his or her death, or the agent of any such  
16 person other than the management. For purposes of this section,  
17 "listing" includes advertising the address of the home to the general  
18 public.

19 (c) The management shall not require the selling homeowner,  
20 or an heir, joint tenant, or personal representative of the estate who  
21 gains ownership of a manufactured home or mobilehome in the  
22 mobilehome park through the death of the owner of the  
23 manufactured home or mobilehome who was a homeowner at the  
24 time of his or her death, to authorize the management or any other  
25 specified broker, dealer, or person to act as the agent in the sale  
26 of a manufactured home or mobilehome as a condition of resale  
27 of the home in the park or of management's approval of the buyer  
28 or prospective homeowner for residency in the park.

29 (d) The management shall not require a homeowner, who is  
30 replacing a mobilehome or manufactured home on a space in the  
31 park, in which he or she resides, to use a specific broker, dealer,  
32 or other person as an agent in the purchase of or installation of the  
33 replacement home.

34 (e) Nothing in this section shall be construed as affecting the  
35 provisions of the Health and Safety Code governing the licensing  
36 of manufactured home or mobilehome salespersons or dealers.

37 (f) This section shall become operative on July 1, 2016.

38 SEC. 5. Section 798.74 of the Civil Code is amended to read:

39 798.74. (a) The management may require the right of prior  
40 approval of a purchaser of a mobilehome that will remain in the

1 park and that the selling homeowner or his or her agent give notice  
2 of the sale to the management before the close of the sale. Approval  
3 cannot be withheld if the purchaser has the financial ability to pay  
4 the rent and charges of the park unless the management reasonably  
5 determines that, based on the purchaser's prior tenancies, he or  
6 she will not comply with the rules and regulations of the park. In  
7 determining whether the purchaser has the financial ability to pay  
8 the rent and charges of the park, the management shall not require  
9 the purchaser to submit copies of any personal income tax returns  
10 in order to obtain approval for residency in the park. However,  
11 management may require the purchaser to document the amount  
12 and source of his or her gross monthly income or means of financial  
13 support.

14 Upon request of any prospective homeowner who proposes to  
15 purchase a mobilehome that will remain in the park, management  
16 shall inform that person of the information management will  
17 require in order to determine if the person will be acceptable as a  
18 homeowner in the park.

19 Within 15 business days of receiving all of the information  
20 requested from the prospective homeowner, the management shall  
21 notify the seller and the prospective homeowner, in writing, of  
22 either acceptance or rejection of the application, and the reason if  
23 rejected. During this 15-day period the prospective homeowner  
24 shall comply with the management's request, if any, for a personal  
25 interview. If the approval of a prospective homeowner is withheld  
26 for any reason other than those stated in this article, the  
27 management or owner may be held liable for all damages  
28 proximately resulting therefrom.

29 (b) If the management collects a fee or charge from a prospective  
30 purchaser of a mobilehome in order to obtain a financial report or  
31 credit rating, the full amount of the fee or charge shall be credited  
32 toward payment of the first month's rent for that mobilehome  
33 purchaser. If, for whatever reason, the prospective purchaser is  
34 rejected by the management, the management shall refund to the  
35 prospective purchaser the full amount of that fee or charge within  
36 30 days from the date of rejection. If the prospective purchaser is  
37 approved by the management, but, for whatever reason, the  
38 prospective purchaser elects not to purchase the mobilehome, the  
39 management may retain the fee, or a portion thereof, to defray its  
40 administrative costs under this section.

1 (c) This section shall remain in effect only until July 1, 2016,  
2 and as of that date is repealed.

3 SEC. 6. Section 798.74 is added to the Civil Code, to read:

4 798.74. (a) The management may require the right of prior  
5 approval of a purchaser of a mobilehome that will remain in the  
6 park and that the selling homeowner or his or her agent give notice  
7 of the sale to the management before the close of the sale. Approval  
8 cannot be withheld if the purchaser has the financial ability to pay  
9 the rent and charges of the park unless the management reasonably  
10 determines that, based on the purchaser's prior tenancies, he or  
11 she will not comply with the rules and regulations of the park. In  
12 determining whether the purchaser has the financial ability to pay  
13 the rent and charges of the park, the management shall not require  
14 the purchaser to submit copies of any personal income tax returns  
15 in order to obtain approval for residency in the park. However,  
16 management may require the purchaser to document the amount  
17 and source of his or her gross monthly income or means of financial  
18 support.

19 Upon written request of any selling homeowner or prospective  
20 homeowner who proposes to purchase a mobilehome that will  
21 remain in the park, management shall inform that person, in  
22 writing, of the information management will require and the  
23 standards that will be utilized in determining if the person will be  
24 acceptable as a homeowner in the park.

25 Within 15 business days of receiving all of the information  
26 requested from the prospective homeowner, the management shall  
27 notify the seller and the prospective homeowner, in writing, of  
28 either acceptance or rejection of the application, and the reason if  
29 rejected. During this 15-day period the prospective homeowner  
30 shall comply with the management's request, if any, for a personal  
31 interview. If the approval of a prospective homeowner is withheld  
32 for any reason other than either of the following, the management  
33 or owner may be held liable for all damages proximately resulting  
34 therefrom:

35 (1) Reasons stated in this article.

36 (2) Reasons based upon fraud, deceit, or concealment of material  
37 facts by the prospective purchaser.

38 (b) If the management collects a fee or charge from a prospective  
39 purchaser of a mobilehome in order to obtain a financial report or  
40 credit rating, the full amount of the fee or charge shall be credited

- 1 toward payment of the first month's rent for that mobilehome  
2 purchaser. If, for whatever reason, the prospective purchaser is  
3 rejected by the management, the management shall refund to the  
4 prospective purchaser the full amount of that fee or charge within  
5 30 days from the date of rejection. If the prospective purchaser is  
6 approved by the management, but, for whatever reason, the  
7 prospective purchaser elects not to purchase the mobilehome, the  
8 management may retain the fee, or a portion thereof, to defray its  
9 administrative costs under this section.
- 10 (c) This section shall become operative on July 1, 2016.